



CITY OF NEWPORT BEACH ECONOMIC DEVELOPMENT COMMITTEE

MINUTES 7-21-10

Minutes of the Economic Development Committee held at the City Council Chambers, City of Newport Beach, on **Wednesday, July 21, 2010.**

Members Present:

X	Mike Henn, Chairman	A	David Hsiang
X	Keith Curry, Mayor	X	John Hyatt
E	Steve Rosansky, Council Member	X	Lloyd Ikerd
E	Robert Hawkins, Planning Commissioner	X	Brion Jeannette
E	Mike McNamara, Vice Chairman	E	Debra Legan
A	Fred Ameri	X	Richard Luehrs
X	Craig Batley	X	Scott Palmer
A	Seymour Beek	X	John Robinson
X	Jeffrey Cole	X	Gregg Schwenk
E	Steven Coyne	E	Gary Sherwin
X	Sheri Drewry	X	Kim Van Natta
X	Jennifer Gonzalez	X	Gay Wassall-Kelly
X	Arlene Greer		

Staff Representatives:

X	Sharon Wood, Contract Employee	X	Tracy McCraner, Administrative Services Director
X	Leigh DeSantis, Economic Development Administrator	X	Evelyn Tseng, Revenue Manager
X	Katie Bowden, Economic Development Coordinator	X	Monique Navarrete, Business License Supervisor

Guests Present:

Roll Call and Introductions:

Chairman Henn called the meeting to order at 8:05 am and began self-introductions of the assembled members, staff and guests.

UPDATES AND ANNOUNCEMENTS

- Councilman Henn announced that there is a new Farmer's Market in Lido Marina Village. It has been open two Sundays and appears to be a success. He recommends a visit. Also on the City Council Agenda for July 27 is a proposal for a land use study of Lido Marina Village to be supported by the three major land owners. The purpose of the study will be to create a new land use plan.
- Mayor Curry informed the group that at the last City Council meeting an agreement with the Orange County Museum of Art was approved establishing a plan for the Museum to display sculptures at the Civic Center Park at no cost to the City. The sculptures will be changed periodically and the site will participate in the Museum's biannual event.
- Mrs. Wassall-Kelly announced that, under the name Streamliner Café, Ruby's will be opening a location at the Fun Zone in Balboa Village. The manager will be Jane Young.

PENDING PROJECTS UPDATES

- On August 10, 2010 at study session, staff will be making a presentation on the Wayfinding Sign Program. The City Council requested the presentation during budget hearings to help them determine its priority for funding.
- Also on August 10, 2010 at the regular meeting, staff will present to the City Council the Policy Guidelines for a new CDBG Grant to assist low and moderate income owner-occupants in utility undergrounding assessment districts with the cost of connections to the newly undergrounded utilities.
- Economic Development staff attended the initial session of OPIS Network, Inc. "100 Business for 100 Days" in Buena Park as a step in determining if the City should sponsor the program in Newport Beach.
- The Conexant and Koll development proposal will be reviewed by the Planning Commission at its next meeting, July 22, 2010.

DISCUSSION ITEMS

1. Minutes of May 19, 2010.

Chairman Henn called for comments on the draft minutes. Mr. Luehrs moved approval of the minutes. Mr. Cole seconded the motion. The minutes were approved unanimously.

2. Discussion of the need for and role of the Executive Committee of the EDC.

Chairman Henn reported on the discussions that had taken place at the last two Executive Committee meetings regarding its role and the need for the meetings. The Executive Committee had concluded that the Committee was not essential and they recommended not meeting. The Chairman opened the issue to discussion and no one objected to ceasing Executive Committee meetings. Chairman Henn noted that, in the absence of an Executive Committee, the full committee would have to be more participatory at planning agendas for future meetings.

3. Comments in the Draft Zoning Code

Chairman Henn report that due to concerns related to residential zoning, the Draft Zoning Code was not approved by the Planning Commission at its last meeting. The concerns centered on replacing Floor Area Ratio (FAR) with an open space requirement. The proposal was designed to keep lots from being covered with huge square or rectangular boxes while at the same time allowing for as much or more square footage as the old method since basements would not be counted. However, some property owners were worried that, in areas where basements were unlikely, it would result in less square footage being allowed. After comments on both sides of this issue, Chairman Henn redirected the discussion to commercial code issues, which are the concern of the EDC.

Mr. Cole reviewed the code and reported that he had not seen anything that would adversely impact city businesses. However, he had also not seen anything that would incentivize businesses to locate in Newport Beach. Mrs. Wood said that early in the process incentives had been considered, but floor area incentives were found to not be possible in the Zoning Code because of the strict limits on FAR in the General Plan. Incentives might be possible in the area of fees and taxes. This led to a discussion as to whether the EDC might review fee and tax policy. It was agreed that at the next meeting a sub-committee would be formed to look at the City's fee and tax policies vis a vis business.

4. Overview of the City's Business License Requirements and Procedures

Monique Navarrette, License Supervisor, made a PowerPoint presentation on the City's Business Tax. The City of Newport Beach has had a business license tax since 1906. The authority for such a tax is contained in both State Law and the City's Municipal Code. All businesses, whether commercial based, home based or out-of-town based, are required to pay the tax. The tax is apportioned so that those coming into town as part of a special event may pay for a single event rather than the entire year. The law also contains some exemptions and an appeals process. The process is a first notice, a second notice with penalties, a third notice with penalties and a citation. Responding to the first notice should you wish to appeal will start that process. The tax is paid and an appeals form must be completed. If staff determines the tax is being assessed in error, it is refunded. If the form is unclear or the business still believes it should not be assessed, they are entitled to an impartial hearing. There are approximately 21,000 businesses in Newport Beach and the Business License raises \$4 million in annual revenue.

Following her presentation, Ms. Navarrette took questions. Most of the questions dealt with how visiting or temporary business were charged. Mr. Ikerd and Mr. Batley suggested the EDC form a sub-committee to look at the City's policies in that area. Mr. Palmer also had some questions related to special events business license fees. Mr. Luehrs said that the Chamber of Commerce had no problems with the business license. Mr. Ikerd, Mr. Palmer and Mr. Luehrs all volunteered to serve on a sub-committee to review business license policy. Someone suggested Mr. Hawkins as a member. It was decided to put the word out for volunteers via the draft minutes. Members interested in serving should inform the Chair or staff, and sub-committee members will be confirmed at the next meeting.

5. EQAC Representative's Report

Arlene Greer reported that EQAC did not have quorum at its June 21 meeting so no action was taken. They did, however, listen to presentations for and against expanding a smoking ban. They received an explanation of third hand smoke. It is the chemicals from the smoke that settle on surfaces and subsequently are touched and maybe ingested. Arlene reported that the consensus of those present after hearing the discussion and reviewing current State and City restrictions on smoking would be to continue the discussion at the next EQAC meeting with the intent of further exploring the banning of smoking in all City parks. EQAC will not meet in July. The next meeting will be August 16, 2010.

ITEMS FOR A FUTURE AGENDA

August

- Formation of a Business License Policy Review Sub-committee
- Formation of a Business Retention and Attraction Fee and Tax Policy Review Sub-committee

September

- Report on the Newport Beach Film Festival of 2010

ADJOURNMENT

Chairman Henn called for the meeting to be adjourned at 9:10 am.